

# OFFICE OF FISCAL ANALYSIS

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sSB-397

AN ACT EXPANDING MEDICAID COVERAGE OF SCHOOL-BASED HEALTH CARE.

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## ***OFA Fiscal Note***

### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 25 \$</b>	<b>FY 26 \$</b>
Social Services, Dept.	GF - Revenue Loss	\$10.4 million	\$10.4 million
Social Services, Dept.	GF - Revenue Gain	See Below	See Below
Social Services, Dept.	GF - Cost	at least \$100,000	at least \$100,000

Note: GF=General Fund

### ***Municipal Impact:***

<b>Municipalities</b>	<b>Effect</b>	<b>FY 25 \$</b>	<b>FY 26 \$</b>
Various Municipalities	Revenue Gain	at least \$10.4 million	at least \$10.4 million
Various Municipalities	Potential Cost	See Below	See Below

## ***Explanation***

The bill results in a fiscal impact to the state and municipalities associated with expanding Medicaid School Based Child Health (SBCH) coverage.

For current SBCH program participants, the bill increases the municipal share of associated federal reimbursement from 50% to 80%. This results in a revenue gain to towns of approximately \$10.4 million and a corresponding revenue loss to the state.

The bill also requires DSS to (1) seek federal approval for a Medicaid waiver to provide coverage to all students at Title I schools and to all students who qualify for free or reduced-price lunch, regardless of if they would otherwise qualify for Medicaid, and (2) modify the

Medicaid state plan to cover health care services in school nurse's offices for eligible students.

To the extent that towns are currently supporting services for newly covered students, towns will experience a revenue gain associated with 80% of the federal share of costs. If towns provide additional services to the newly covered population as specified by the bill, towns will incur associated costs, which will be partially offset by the share of federal reimbursement.

This is also anticipated to result in (1) administrative costs to DSS of at least \$100,000 associated with increased claims, and (2) increased revenue to the state associated with 20% of the federal share of Medicaid claims for newly covered students and services.

This assumes the payment structure for services under the bill's expansion aligns with the current methodology. To the extent that the payment and reimbursement process varies under the waiver, the fiscal impact to the state and towns may be altered.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the expansion and utilization of Medicaid eligible services under SBCH.